



0000156461

Stump PROPOSED AMENDMENT NO. 1

(Alternative Form of Order)


DOCKET NO. RU-00000A-13-0294, In the Matter of the Proposed Rule Making to Modify A.A.C. R14-2-103 to Update the Utility Classifications.

The purpose of this proposed amendment is to provide the attached alternative form of order for Commission consideration in Commission Docket No. RU-00000A-13-0294. At this time, it is anticipated that this matter will be considered by the Commission at its November open meeting, but it is also possible that it will instead be scheduled for a subsequent open meeting. Interested parties should consult the Commission's website to check for specific dates and times. Exceptions and/or comments to this matter should be filed on or before October 24, 2014.

Arizona Corporation Commission

DOCKETED

OCT 08 2014

DOCKETED BY	
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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Original and 13 copies of this filing submitted to Docket Control and copies mailed to the Service List in Docket No. RU-00000A-13-0294 on this 3RD day of October, 2014.

THIS AMENDMENT:			
<input type="checkbox"/> Passed	<input type="checkbox"/> Passed as amended by		
<input type="checkbox"/> Failed	<input type="checkbox"/> Not Offered	<input type="checkbox"/> Withdrawn	

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 BOB STUMP

Chairman

3 GARY PIERCE

Commissioner

4 BRENDA BURNS

Commissioner

5 BOB BURNS

Commissioner

6 SUSAN BITTER SMITH

Commissioner

7
8 IN THE MATTER OF THE PROPOSED
9 RULEMAKING TO MODIFY A.A.C. R14-2-
10 103 TO UPDATE THE UTILITY
11 CLASSIFICATIONS.
12
13

DOCKET NO. RU-00000A-13-0294

DECISION NO. _____

ORDER

14 BY THE COMMISSION:

15 This proposed rulemaking would amend Arizona Administrative Code ("A.A.C.") Title 14,
16 Chapter 2, Article 1, A.A.C. R14-2-103 ("Rule 103"), by changing the revenue thresholds used by
17 the Arizona Corporation Commission ("Commission") for classification of utilities.

18 Having considered the entire record herein and being fully advised in the premises, the
19 Commission finds, concludes, and orders that:

20 FINDINGS OF FACT

21 1. On April 18, 2014, the Commission issued Decision No. 74436 directing the
22 ~~Commission's Utilities Division ("Staff") to file a Notice of Rulemaking Docket Opening~~
23 ("NRDO") and a Notice of Proposed Rulemaking ("NPRM") with the Office of the Secretary of
24 State ("Secretary of State") for publication in the *Arizona Administrative Register*.

25 2. The NRDO and NPRM were filed with the Secretary of State on April 18, 2014 and
26 published in the *Arizona Administrative Register* on May 9, 2014. A copy of the NPRM, as
27 published, is attached hereto and incorporated herein as Exhibit A.
28

1 3. The proposed rulemaking has a very narrow focus in terms of direct changes made
2 to the Commission's rules, with only alterations to the revenue threshold classifications included
3 within a single table appearing in Rule 103(A)(3)(q), specifically within the definitions of
4 "utilities" as used in Rule 103. No other changes have been proposed to the remaining language of
5 Rule 103.

6 4. The limited changes to Rule 103 would increase the revenue thresholds for each
7 classification. In addition, the proposed changes would make uniform the revenue thresholds
8 across different types of utilities by classifying telephone utilities under the same revenue
9 thresholds as other types of utilities.

10 5. Decision No. 74436 directed the Hearing Division to hold oral proceedings on June
11 9 and June 12, 2014 in Tucson and Phoenix, respectively, to receive public comment on the
12 proposed rulemaking. The decision also requested that interested parties file written comments
13 concerning the NPRM by June 13, 2014, and provide oral comments at the scheduled proceedings.

14 6. On June 9 and June 12, 2014, oral proceedings were held before a duly authorized
15 Administrative Law Judge ("ALJ") of the Commission at the Commission's offices in Tucson and
16 Phoenix. No members of the public provided public comment in Tucson. In Phoenix, Karen
17 Nally of Camp Verde Water System, Inc. ("CVWS") and Tim Sabo of Roshka Dewulf & Patten
18 spoke in favor of the NPRM. Karen Nally stated that CVWS provides water service to
19 approximately 1,800 customer connections in and around the Town of Camp Verde and that the
20 changes are necessary because the revenue thresholds in Rule 103 have not been updated since
21 1992, the updated thresholds will streamline Commission processes to help reduce rate case
22 expense for small utilities, and CVWS supports having rate cases process more quickly. Tim Sabo
23 stated that he was not speaking on behalf of any particular client, as the utilities that will benefit
24 the most from this rulemaking cannot afford to hire an attorney, and that he supports the
25 rulemaking because a significant number of smaller utilities will be shifted into classifications
26 where they can benefit from reduced filing requirements and the streamlined short form
27 application process.

28

1 7. On July 11, 2014, Staff filed a Staff Report, which included Staff's economic, small
2 business and consumer impact statement ("EIS"). The Staff Report also stated that Staff had not
3 received any written comments or concerns about the proposed rules or about the accuracy of the
4 preliminary EIS contained in the May 9, 2014 NPRM. In fact, no written comments were received
5 after the NPRM was published. Accordingly, Staff concluded that no change to the draft rule or
6 the EIS was necessary. We agree with Staff's assessment.

7 8. On August 27, 2014, the Commission's Hearing Division issued a recommended
8 opinion and order ("ROO") for the Commission's consideration at an upcoming Open Meeting.
9 Based in large part on concerns with processing times for newly classified D utilities, the ROO
10 recommends against adoption of the NPRM and directs Staff to file a Notice of Termination of
11 Rulemaking with the Secretary of State.

12 9. After careful consideration, the Commission hereby declines to adopt the ROO.
13 A.R.S. § 40-250 does not require the Commission to conduct Class D utility rate cases with the
14 same protracted evidentiary hearing process often seen with Class A, B, or C utility rate cases. For
15 example, A.R.S. § 40-250 does not require multiple rounds of pre-filed testimony and/or closing
16 legal briefs. In cases where a hearing may be required, the Commission may include "notice and
17 opportunity to be heard" language when noticing Class D utility rate cases for Open Meeting, such
18 that the Open Meeting satisfies any hearing requirement that exists in A.R.S. § 40-250.

19 10. The Commission agrees with the public commenters who believe the NPRM will
20 help to streamline the Commission's rate case process, particularly for small utilities.
21 Accordingly, the Commission finds that it is in the public interest to adopt the proposed revisions
22 to Rule 103, as set forth in the NPRM attached hereto as Exhibit A.

23 11. The proposed modifications to Rule 103, as set forth in the NPRM attached hereto
24 as Exhibit A, should be submitted directly to the Secretary of State in the form of a Notice of Final
25 Rulemaking package. The Final Rulemaking package should include a separate Economic, Small
26 Business, and Consumer Impact Statement, attached hereto as Exhibit B. The summary of
27 comments and the Commission's responses to those comments, as set forth in Exhibit C, should
28 also be included in the Final Rulemaking package.

CONCLUSIONS OF LAW

1. Pursuant to Arizona Constitution, Art. 15 § 3, the Commission has authority and jurisdiction to amend Rule 103 by increasing the revenue thresholds as reflected in the NPRM attached hereto as Exhibit A.

2. The revised Rule 103 as set forth in Exhibit A falls within the Commission's exclusive and plenary constitutional authority for ratemaking and classification under Art. 15 § 3. Accordingly, the Commission is not required to submit this rulemaking to the Attorney General's office for certification under A.R.S. § 41-1044.

3. Notice of the oral proceedings regarding the NPRM was provided in the manner prescribed by law.

4. The revisions to Rule 103 to be included in a Notice of Final Rulemaking contain no substantial changes from the proposed rules as published in the NPRM attached hereto as Exhibit A.

5. The revisions to Rule 103 are clear, concise, and understandable; within the Commission's power to make; within enacted legislative standards; and made in compliance with appropriate procedures.

6. Adoption of the revisions to Rule 103, as set forth in Exhibit A, is just and reasonable and in the public interest.

7. The Economic, Small Business, and Consumer Impact Statement attached hereto as Exhibit B is consistent with the requirements of Arizona's Administrative Procedure Act, A.R.S. § 41-1001 *et seq.*, and should be adopted.

8. The summary of the written and oral comments received regarding the NPRM and the Commission's responses to those comments, as set forth in Exhibit C, are accurate, comply with A.R.S. § 41-1001(15)(d), and should be included in the Preamble for the Notice of Final Rulemaking for this matter.

ORDER

IT IS THEREFORE ORDERED that the revised Arizona Administrative Code R14-2-103, as set forth in Exhibit A hereto, is hereby adopted.

1 IT IS FURTHER ORDERED that the Commission's Utilities Division Staff/Legal
2 Division Staff shall prepare and file with the Secretary of State, for publication as an approved
3 final rule, a Notice of Final Rulemaking that includes the text of the revised Rule 103, as set forth
4 in Exhibit A, and a Preamble that conforms with the APA and that includes a summary of
5 comments and Commission responses thereto and an Economic, Small Business, and Consumer
6 Impact Statement.

7 IT IS FURTHER ORDERED that the Commission's Utilities Division Staff/Legal
8 Division Staff is authorized to make non-substantive changes in the adopted Rule 103, as set forth
9 in Exhibit A; the adopted Economic, Small Business, and Consumer Impact Statement; and any
10 additional documents required by the Secretary of State in response to comments received from the
11 Secretary of State during the publication and/or codification process unless, after notification of
12 those changes, the Commission requires otherwise.

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IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2014.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SERVICE LIST FOR: Utility Reclassification Rulemaking
DOCKET NO.: RU-00000A-13-0294

A. Petersen Water Company, Inc.
PO Box 364
Overgaard, AZ 85933

Appaloosa Water Company
PO Box 3150
Chino Valley, AZ 86323

Abra Water Company, Inc.
PO Box 515
Paulden, AZ 86334

Arivaca Townsite Cooperative Water
Company, Inc.
PO Box 398
Arivaca, AZ 85601

ACME Water LLC
365 W. Coronado Rd., Ste. 200
Phoenix, AZ 85004-1560

Arizona Water Company
PO Box 29006
Phoenix, AZ 85038-9006

Adaman Mutual Water Company
16251 W. Glendale Ave.
Litchfield Park, AZ 85340

Arizona Windsong Realty, Inc.
PO Box 261
Sanders, AZ 86512

Aguila Water Services, Inc.
PO Box 1086
Sun City, AZ 85372

Arroyo Water Company, Inc.
1400 N. Beeline Hwy.
Payson, AZ 85541-3103

Ajo Improvement Company
PO Drawer 9
Ajo, AZ 85321

Ash Fork Development Association, Inc.
PO Box 293
Ash Fork, AZ 86320

American Realty & Mortgage Co., Inc.
dba Hacienda Acres Water Systems
c/o Global Water
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

Ashcreek Water Company
PO Box 8258
Thatcher, AZ 85552

Antelope Lakes Water Company
PO Box 350
Chino Valley, AZ 86323

AVM-2005, LLC
6263 N. Scottsdale Rd., Ste. 265
Scottsdale, AZ 85250

Antelope Water Company
35710 Antelope Dr.
Wellton, AZ 85356

Avra Water Cooperative, Inc.
11821 W. Picture Rocks Rd.
Tucson, AZ 85743

Anway Manville LLC Water Company
c/o Southwestern Utility Management, Inc.
PO Box 85160
Tucson, AZ 85754

Baca Float Water Company
PO Box 1536
Tubac, AZ 85646

1	Bachmann Springs Utility Company	BN Leasing Corporation dba Aubrey Water
2	PO Box 9	Company
3	Tombstone, AZ 85638	PO Box 961050
4		Ft. Worth, TX 76161
5	Beardsley Water Company, Inc.	
6	c/o First National Management	Bob B. Watkins dba East Slope Water
7	PO Box 1020	Company
8	Apache Junction, AZ 85217-1020	c/o Southwestern Utility Management, Inc.
9		PO Box 85160
10	Beaver Dam Water Company, Inc.	Tucson, AZ 85754
11	PO Box 550	
12	Litchfield, AZ 86432	Bonita Creek Land & Homeowner's
13		Association
14	Beaver Valley Water Company, Inc.	251 Big Al's Run
15	PO Box 421	Payson, AZ 85541
16	Payson, AZ 85547	
17		Boynton Canyon Enchantment Homeowners
18	Bella Vista Water Company, Inc.	Association
19	12725 W. Indian School Rd., Ste. D101	525 Boynton Canyon Rd.
20	Avondale, AZ 85392	Sedona, AZ 86336
21		
22	Bellemont Water Co.	Bradshaw Water Company
23	PO Box 31176	PO Box 12758
24	Flagstaff, AZ 86003	Prescott, AZ 86304
25		
26	Bermuda Water Company	Brooke Water LLC
27	2335 Sanders Rd.	PO Box 82218
28	Northbrook, IL 60062	Bakersfield, CA 93380
29		
30	Berneil Water Company	Caballeros Water Company, Inc.
31	PO Box 219	1551 S. Vulture Mine Rd.
32	Tempe, AZ 85280-0219	Wickenburg, AZ 85390
33		
34	Biasi Water Company, Inc.	Cactus-Stellar Limited
35	PO Box 518	HCR 2, Box 469
36	Beaver Dam, AZ 86432	Tucson, AZ 85735
37		
38	Bidegain Water Company	Camp Verde Water System, Inc.
39	PO Box 538	PO Box 340
40	Kearny, AZ 85137	Camp Verde, AZ 86322
41		
42	Big Park Water Company	Carter's Water Company
43	45 Castle Rock Rd., Ste. 4	1157 E. Sunset Dr.
44	Sedona, AZ 86351	Casa Grande, AZ 85122-2921
45		
46		Casa Grande South Water Company
47		117 E. 2nd St.
48		Casa Grande, AZ 85122

1 Casa Grande West Water Company
2 117 E. 2nd St.
3 Casa Grande, AZ 85122

4 Cayetano, Inc. dba Lakewood Water
5 Company
6 PO Box 14858
7 Tucson, AZ 85732

8 C-D Oasis Water Company
9 1665 10th St.
10 Douglas, AZ 85607

11 Cedar Grove Water, Inc.
12 PO Box 364
13 Overgaard, AZ 85933

14 Cerbat Water Company
15 7313 E. Concho Dr., Ste. B
16 Kingman, AZ 86401

17 Chaparral City Water Company
18 12021 N. Panorama Dr.
19 Fountain Hills, AZ 85268

20 Chaparral Water Company
21 17700 N. Pacesetter Way., Ste. 100
22 Scottsdale, AZ 85255

23 Chas I. Creed dba Hunt Valley Water
24 Company
25 303 W. Stella Lane
26 Phoenix, AZ 85013-1318

27 Chino Meadows II Water Company
28 PO Box 350
Chino Valley, AZ 86323

Cibola Mutual Water Company
RR2, Box 77
Cibola, AZ 85328

Cienega Water Company, Inc.
31806 Cienega Springs Rd
Parker, AZ 85344

Circle City Water Co., LLC
PO Box 82218
Bakersfield, CA 93380

Citrus Park Water Co., Inc.
34720 Mountain Loop Hwy.
Granite Falls, WA 98252

Clear Springs Utility Company, Inc.
PO Box 85160
Tucson, AZ 85754

Clearwater Utilities Company, Inc.
20441 W. Cheyenne Rd.
Buckeye, AZ 85326

Cloud Nine Water Company, Inc.
96 Bel Aire Place, Ste. 140
Sierra Vista, AZ 85635

Coldwater Canyon Water Company
PO Box 637
Black Canyon City, AZ 85324

Community Water Company of Green Valley
1501 S. La Canada
Green Valley, AZ 85622-1600

Cordes Lakes Water Company
PO Box 219
Tempe, AZ 85280-0219

Crown King Water Company, Inc.
4198 W. Park View Lane
Glendale, AZ 85310

Dairyland Water Cooperative
16707 E. Happy Rd.
Queen Creek, AZ 85242

Dateland Public Service Co., Inc.
PO Box 3011
Dateland, AZ 85333

Dateland Water LLC
3412 W. 2nd St.
Anacortes, WA 98221

1 Desert Valencia Water Company, Inc.
2 10826 N. Sand Canyon Pl.
3 Oro Valley, AZ 85737
4
5 Diversified Water Utilities, Inc.
6 4700 E. Thomas Rd., Ste. 203
7 Phoenix, AZ 85018
8
9 Donald Steven McAdams
10 dba McAdams Water Company
11 10434 230th St.
12 Delta, IA 52550-8545
13
14 Doney Park Water
15 5290 E. Northgate Loop
16 Flagstaff, AZ 86004
17
18 Double Diamond Utilities, Inc.
19 c/o Michael W. Patten
20 One Arizona Center
21 400 E. Van Buren St., Ste. 800
22 Phoenix, AZ 85004
23
24 Double R Water Distributors, Inc.
25 500 Lake Havasu Ave. N., Ste. C100
26 Lake Havasu City, AZ 86403
27
28 Dragoon Water Company
PO Box 85160
Tucson, AZ 85754
DS Water Company
PO Box 786
Desert Springs, AZ 86432
Eagletail Water Company, LC
PO Box 157
Tonopah, AZ 85354
Eden Water Company, Inc.
9488 N. Hot Springs Rd.
Eden, AZ 85535
Ehrenberg Improvement Association
PO Box 50
Ehrenberg, AZ 85334-0050

El Prado Water Company, Inc.
4743 E. 30th Place
Yuma, AZ 85365
Empirita Water Company, Inc.
2850 E. Skyline Dr., Ste. 100
Tucson, AZ 85718
EPCOR Water Arizona, Inc.
2355 W. Pinnacle Peak Rd., Ste. 300
Phoenix, AZ 85027
MHC Operating Limited Partnership
dba The Sedona Venture Wastewater
Treatment Plant
2 N. Riverside Plaza, Ste. 800
Chicago, IL 60606
F. Wayne Thompson and Dorothy Thompson
dba West Village Water Co.
c/o Allen Ginsberg
1120 W. University Ave., Ste. 200
Flagstaff, AZ 86001
Far West Water & Sewer, Inc.
13157 E. 44th St.
Yuma, AZ 85367
Farmers Water Company
PO Box 7
Sahuarita, AZ 85629
Fisher's Landing Water and Sewer Works,
LLC
PO Box 72188
Yuma, AZ 85365
Flagstaff Ranch Water Company, Inc.
PO Box 10775
Phoenix, AZ 85064
Forest Highlands Water Company
2425 William Palmer
Flagstaff, AZ 86001

1 Fort Mojave Tribal Utilities Authority
2 Attn: Virginia Tasker, Accountant
3 PO Box 5559
4 Mohave Valley, AZ 86446

Grandview Water Company, Inc.
11632 S. 194th Dr.
Buckeye, AZ 85326

4 Francesca Water Company, Inc.
5 PO Box 85160
6 Tucson, AZ 85754

Granite Dells Water Company
3025 N. State Route 89
Prescott, AZ 86301

6 Francisco Grande Utility Company
7 26000 Gila Bend Highway
8 Casa Grande, AZ 85222

Granite Mountain Water Company
PO Box 350
Chino Valley, AZ 86323

8 Gadsden Water Company, Inc.
9 PO Box 519
10 Somerton, AZ 85350

Granite Oaks Water Users Association, Inc.
PO Box 4947
Chino Valley, AZ 86323

11 Global Water - Picacho Cove Water
12 Company, Inc.
13 c/o Global Water
14 21410 N. 19th Ave., Ste. 201
15 Phoenix, AZ 85027

Great Prairie Oasis, LLC dba Sunland Water
Company
7502 E. Hazelwood St.
Scottsdale, AZ 85251

14 Global Water - Santa Cruz Water Company
15 c/o Global Water
16 21410 N. 19th Ave., Ste. 201
17 Phoenix, AZ 85027

Green Acres Water Company
4743 E. 30th Place
Yuma, AZ 85365

17 Golden Corridor Water Company
18 c/o Arizona Water Company
19 3850 N. Black Canyon Highway
20 Phoenix, AZ 85015

Greenehaven Water Company, Inc.
PO Box 5122
Greenehaven, AZ 86040-5122

20 Golden Shores Water Company, Inc.
21 PO Box 37
22 Topock, AZ 86436

Groom Creek Water User's Association
PO Box 3897
Prescott, AZ 86302

22 Goodman Water Company
23 6340 N. Campbell Ave., Ste. 278
24 Tucson, AZ 85718

Halcyon Acres Annex #2 Water Company,
Inc.
PO Box 85160
Tucson, AZ 85754

24 Graham County Utilities, Inc.
25 PO Drawer B
26 Pima, AZ 85543

Halcyon Acres Water Users Association, Inc.
PO Box 18448
Tucson, AZ 85731-8448

27 Grand Canyon Caverns and Inn, LLC
28 PO Box 180
Peach Springs, AZ 86434

Harrisburg Utility Company, Inc.
PO Box 905
Salome, AZ 85348

1	Heart Cab Co., Inc. dba Sulger Water Company, #2	Joshua Valley Utility Company
2	2611 N. Calle Seis	5219 N. Casa Blanca Dr., Ste. 55
3	Huachuca City, AZ 85616	Paradise Valley, AZ 85253
4	High County Pines Water Company, Inc.	Juniper Wells Water Company
5	6033 N. 4th Place	300 N. Lynx Creek Rd.
6	Phoenix, AZ 85012	Prescott, AZ 86303-6828
7	Hillcrest Water Company	Junipine Community Property Owners Association
8	915 E. Bethany Home Rd.	8351 N. Hwy 89A
9	Phoenix, AZ 85014	Sedona, AZ 86336
10	Holiday Enterprises Incorporated	Kacy J. Parker dba Jake's Corner Water System
11	dba Holiday Water Company	1400 N. Beeline Hwy
12	PO Box 309	Payson, AZ 85541-3103
13	Tombstone, AZ 85638	Kacy Parker dba Arroyo Water Co.
14	Hopeville Water Company, Inc.	1400 N. Beeline Hwy
15	1415 S. Palo Verde Rd.	Payson, AZ 85541-3103
16	Buckeye, AZ 85236	Katherine Resort Water Company
17	Humboldt Water Systems, Inc.	6126 Chrismark Ave.
18	PO Box 10593	San Diego, AZ 92120
19	Sedona, AZ 86339	Kohl's Ranch Water Company
20	ICR Water Users Association, Inc.	PO Box 206
21	PO Box 2344	Payson, AZ 85547
22	Prescott, AZ 86302-2344	Kraus Investment LC dba Shangri-La Ranch/Waterworks
23	J. D. Campbell dba West End Water Co.	44444 N. Shangri-La Lane
24	9098 W. Pinnacle Peak Rd.	New River, AZ 85087
25	Peoria, AZ 85383	Kyllo Development Corp.
26	Jackson Springs Estates Home and Property Owners Association	dba Bradshaw Mountainview Water Company
27	6139 E. Hermosa Vista Dr.	PO Box 10593
28	Mesa, AZ 85215	Sedona, AZ 86339
	Janice E. Worden and Lawrence A. Worden dba Worden Water Company	La Casita Water Company, Inc.
	15150 W. Ajo Way, Ste. 568	PO Box 13208
	Tucson, AZ 85735	Tucson, AZ 85732
	Johnson Utilities, LLC	Lago Del Oro Water Company
	5230 E. Shea Blvd., Ste. 200	9532 E. Riggs Rd.
	Scottsdale, AZ 85254	Sun Lakes, AZ 85248

1	Lagoon Estates Water Company, Inc.	Lyn Lee Water Company
2	2600 N. 44th St., Ste. 203	6101 N. Camino De La Tierra
3	Phoenix, AZ 85008	Tucson, AZ 85741
4	Lake Pleasant Water Company	McNeal Water Company
5	2390 E. Camelback Rd., Ste. 310	PO Box 12776
6	Phoenix, AZ 85016	Ft. Huachuca, AZ 85670-2776
7	Lake Verde Water Company, Inc.	Meadow Water Company
8	738 S. Parks Dr.	PO Box 3937
9	Camp Verde, AZ 86322	Prescott, AZ 86302-3937
10	Las Quintas Serenas Water Company	Mescal Lakes Water Systems, Inc.
11	PO Box 68	PO Box 85160
12	Sahuarita, AZ 85629	Tucson, AZ 85754
13	Lazy C Water Service	Michael's Ranch Water Users' Association
14	PO Box 1	1 Michael Ranch Dr.
15	Tucson, AZ 85702	Sedona, AZ 86336
16	Litchfield Park Services Company	Mirabell Water Company, Inc.
17	12725 W. Indian School Rd., Ste. D101	PO Box 85160
18	Avondale, AZ 85392	Tucson, AZ 85754
19	Little Park Water Company	Mohawk Utility Company
20	45 Castle Rock Rd., Ste. 4	36140 Antelope Dr.
21	Sedona, AZ 86351	Wellton, AZ 85356
22	Livco Water Company	Monte Vista Water Co., L.L.C.
23	PO Box 659	4762 N. Rustler Place
24	Concho, AZ 85924	Douglas, AZ 85607
25	Loma Estates Water Co., LLC	Montezuma Rimrock Water Company, LLC
26	11620 Bella Sierra Trail	3031 E. Beaver Creek Rd.
27	Prescott, AZ 86305	Rimrock, AZ 86335
28	Lord Arizona Water Systems, Inc.	Mormon Lake Water Co.
	PO Box 3048	PO Box 29041
	Show Low, AZ 85901	Phoenix, AZ 85038
	Los Cerros Water Company, Inc.	Morristown Water Company
	4003 N. Flowing Wells Rd., Ste. 111	PO Box 156
	Tucson, AZ 85705	Morristown, AZ 85342
	Lucky Hills Water Company	Mountain Dell Water, Inc.
	PO Box 309	1492 W. Palmer Ave.
	Tombstone, AZ 85638-0309	Flagstaff, AZ 86001

1 Mountain Glen Water Service, Inc.
2 PO Box 4230
3 Show Low, AZ 85902

4 Mt. Tipton Water Co., Inc.
5 PO Box 38
6 Dolan Springs, AZ 86441

7 Naco Water Company, LLC
8 PO Box 85160
9 Tucson, AZ 85754

10 Narvol D. Bales dba Sunizona Water
11 Company
12 5416 E. Hwy 181
13 Pearce, AZ 85625

14 Navajo Water Co., Inc.
15 7581 E. Academy Blvd., Ste. 229
16 Denver, CO 80230

17 New River Utility Company, Inc.
18 7939 W. Deer Valley Rd.
19 Peoria, AZ 85382

20 Loma Linda Estates, Inc. dba Loma Linda
21 Water Co.
22 PO Box 967
23 Thatcher, AZ 85552

24 Oak Creek Public Service, LLC
25 PO Box 103
26 Cornville, AZ 86325

27 Oak Creek Utility Corporation
28 PO Box 1020
Apache Junction, AZ 85117-4039

Oak Creek Water Co., No. 1
90 Oak Creek Blvd.
Sedona, AZ 86336

Oatman Water Company, L.L.C.
9184 N. 81st St.
Scottsdale, AZ 85258

Orange Grove Water Company
PO Box 889
Yuma, AZ 85366

Park Water Company, Inc.
PO Box 85160
Tucson, AZ 85754

Parker Lakeview Estates Homeowners
Association, Inc.
HC1 Box 474
Elgin, AZ 85611

Payson Water Co., Inc.
7581 E. Academy Blvd., Ste. 229
Denver, CO 80230

Peebles Valley Water Company
PO Box 88006
Phoenix, AZ 85080

Perkins Mountain Water Company
4544 Highway 95
Bullhead City, AZ 86426

Picacho Peak Water Company
28784 Stonehenge Dr.
Chesterfield, MI 48047

Picacho Water Company
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

Picacho Water Improvement Corporation
6240 E. Monitor
Picacho, AZ 85141

Pima Water Company
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

Pine Valley Water Company
480 Raintree Rd.
Sedona, AZ 86351

1	Pinecrest Water Company, Inc.	Red Rock Utilities, LLC
2	PO Box 97	2200 E. River Rd., Ste. 115
3	Nutrioso, AZ 85932	Tucson, AZ 85718
4	Ponderosa Utility Corporation	Ridgeline Water Company, L.L.C.
5	949 Osage St.	6141 N. Pomona Rd.
6	Flagstaff, AZ 86001	Tucson, AZ 85704-1045
7	Pueblo Del Sol Water Company	Ridgeview Utility Company
8	4226 Avenida Cochise, Ste. 13	9532 E. Riggs Rd.
9	Sierra Vista, AZ 85635	Sun Lakes, AZ 85248
10	Puesta Del Sol Water Company	Rillito Water Users Association
11	3626 Liese Dr.	PO Box 668
12	Prescott, AZ 86303-5733	Rillito, AZ 85646
13	Q Mountain Mobile Home Park	Rincon Water Company
14	PO Box 4930	HC #70, Box 3601
15	Quartzsite, AZ 85359	Sahuarita, AZ 85629
16	Q Mountain Water, Inc.	Rio Rico Utilities, Inc.
17	1334 S. 5th Ave.	12725 W. Indian School Rd., Ste. D101
18	Yuma, AZ 85364	Avondale, AZ 85392
19	Quail Creek Water Company	Rio Verde Utilities, Inc.
20	9532 E. Riggs Rd.	25609 N. Danny Lane
21	Sun Lakes, AZ 85248	Rio Verde, AZ 85263
22	Rainbow Parks, Inc. dba Escapees at North Ranch	Roosevelt Lake Resort, Inc.
23	7581 E. Academy Blvd., Ste. 229	PO Box 695
24	Denver, CO 80230	Roosevelt, AZ 85445
25	Rancheros Bonitos Water Co., L.L.C.	Rose Valley Water Company, Inc.
26	4743 E. 30th Place	PO Box 1444
27	Yuma, AZ 85365	Green Valley, AZ 85622-1444
28	Rancho Del Conejo Community Water Co-op, Inc.	Saguaro Water Company
	13130 W. Rudasill Rd.	PO Box 14858
	Tucson, AZ 85743	Tucson, AZ 85732
	Ray Water Company, Inc.	Sahuarita Water Company LLC
	414 N. Court Ave.	4549 E. Fort Lowell Rd.
	Tucson, AZ 85701	Tucson, AZ 85712
		Sandario Water Company, Inc.
		PO Box 85160
		Tucson, AZ 85754

1	Santa Rosa Water Company		Sterling Water Company
2	9532 E. Riggs Rd.		12438 N. Saguaro Blvd., Ste. 114
3	Sun Lakes, AZ 85248		Fountain Hills, AZ 85268
4	Seven Canyons Water Company		
5	c/o Avion Holdings, LLC		Stoneman Lake Water Company, Inc.
6	15290 N. 78th Way, Ste. B-204		PO Box 10061
7	Scottsdale, AZ 85260		Sedona, AZ 86339
8	Shepard Water Company		
9	10430 N. Martinez Lake Rd.		Strawberry Water Company
10	Yuma, AZ 85365		HC 1 Box 702
11	Sherman Pines Water Co.		Strawberry, AZ 85544
12	1203 E. Pine Ridge Dr.		
13	Prescott, AZ 86303-5940		Sun Leisure Estates Utilities Company, Inc.
14	Sitgreaves Water Company		PO Box 1074
15	PO Box 3048		Yuma, AZ 85366
16	Show Low, AZ 85902		
17	Sonoita Valley Water Company		Sun Valley Farms Unit VI Water Co., Inc.
18	PO Box 85160		3698 E. Hashknife Draw Rd.
19	Tucson, AZ 85754		Santan Valley, AZ 85140
20	South Rainbow Valley Water Coop.		
21	27205 S. 170th Ave.		Sunrise Utilities, L.L.C.
22	Buckeye, AZ 85326-4614		2960 S. Scenic Blvd.
23	Southland Utilities Company, Inc.		Littlefield, AZ 86432
24	PO Box 85160		
25	Tucson, AZ 85754		Sunrise Vistas Utilities Company
26	Southwestern Farm and Cattle Company		PO Box 8555
27	48 N. Tucson Blvd., Ste. 100		Ft. Mohave, AZ 86427
28	Tucson, AZ 85716-4756		
	Spanish Trail Water Company		Sunrise Water Company
	2200 E. River Rd., Ste. 115		9098 W. Pinnacle Peak Rd.
	Tucson, AZ 85718		Peoria, AZ 85383
	Spring Branch Water Company, Inc.		
	1223 S. Clearview Ave., Ste. 103		Tacna Water Management Company
	Mesa, AZ 85209		4743 E. 30th Place
	Starlight Water Company, Inc.		Yuma, AZ 85365
	PO Box 85160		
	Tucson, AZ 85754		Tall Pines Estates Water & Improvement
			Association, Inc.
			HC 31 Box 25
			Mormon Lake, AZ 86038
			The Morenci Water and Electric Company
			PO Box 68
			Morenci, AZ 85540

1 Thim Utility Co.
2 PO Box 85160
3 Tucson, AZ 85754

4 Thim Water Corporation
5 PO Box 85160
6 Tucson, AZ 85754

7 Tierra Buena Water Company, Inc.
8 12540 W. Bethany Home Rd.
9 Litchfield Park, AZ 85340
10 Tierra Linda Water Company, Inc.
11 PO Box 14858
12 Tucson, AZ 85732

13 Tierra Mesa Estates Water Co.
14 4743 E. 30th Place
15 Yuma, AZ 85365

16 Tierra Mesa Estates Water Co.
17 4743 E. 30th Place
18 Yuma, AZ 85365

19 Tonto Creek Water Company, LLC
20 4486 E. Ford Ave.
21 Gilbert, AZ 85234

22 Tonto Village Water Company, Inc.
23 173 S. Blackfoot Rd.
24 Payson, AZ 85541

25 Tortolita Water Co., Inc.
26 3573 E. Sunrise Dr., Ste. 133
27 Tucson, AZ 85718

28 Truxton Canyon Water Company, Inc.
7313 E. Concho Dr., Ste. B
Kingman, AZ 86401

Tubac Water Company, Inc.
2525 Broadway Blvd.
Tucson, AZ 85716

Turner Ranches Water & Sanitation
Company
PO Box 1020
Apache Junction, AZ 85217-1020

Tusayan Water Development Association,
Inc.
PO Box 520
Grand Canyon, AZ 86023

Twin Hawks Utility, Inc.
PO Box 70022
Tucson, AZ 85737

Utility Source, LLC
20525 E. Chandler Heights Rd.
Queen Creek, AZ 85142-9500

Utility Systems, LLC
173 S. Blackfoot Rd.
Payson, AZ 85541

Vail Water Company, Inc.
1010 N. Finance Center Dr., Ste. 200
Tucson, AZ 85710

Valencia Water Company, Inc.
c/o Global Water
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

Valle Verde Water Company
PO Box 85160
Tucson, AZ 85754

Valley Pioneer's Water Company, Inc.
5998 W. Chino Dr.
Golden Valley, AZ 86413

Valley Utilities Water Co., Inc.
6808 N. Dysart Rd., Ste. 112
Glendale, AZ 85307

Valley View Water Company
PO Box 12490
Scottsdale, AZ 85267-2490

Verde Lakes Water Company
2867 S. Verde Lakes Dr., Ste. B
Camp Verde, AZ 86322

1	Verde Lee Water Co., Inc.	Wayward Wind's
2	PO Box 1322	5416 E. Hwy 181
3	Clifton, AZ 85533	Pearce, AZ 85625
4	Vernon Valley Water Co., Inc.	White Hills Water Company, Inc.
5	PO Box 364	PO Box 30626
6	Overgaard, AZ 85933	Mesa, AZ 85275
7	Virgin Mountain Utilities Company, Inc.	White Horse Ranch Owners Association, Inc.
8	PO Box 668	c/o HOAMCO
9	Beaver Dam, AZ 86432	PO Box 10000
10	Viva Development Corporation	Prescott, AZ 86304
11	PO Box 12863	White Mountain Water Company
12	Tucson, AZ 85732	PO Box 24204
13	Voyager at White Mountain Lakes Water	Tempe, AZ 85285
14	Company, Inc.	Wickenburg Ranch West, LLC
15	PO Box 655	PO Box 16460
16	Vail, AZ 85641	Phoenix, AZ 85011
17	Voyager Water Company	William F. Lesko dba Heckthorn Water
18	8701 S. Kolb Rd.	Company
19	Tucson, AZ 85756	4400 E. Button Lane
20	Walden Meadows Community Co-Op	Flagstaff, AZ 86001
21	9325 Donegal Dr., Ste. A	Willow Lakes Property Owners Association,
22	Wilhoit, AZ 86332	Inc.
23	Walnut Creek Water Company, Inc.	PO Box 1179
24	119 E. Andy Devine Ave.	Benson, AZ 85602
25	Kingman, AZ 86401	Willow Springs Utilities, LLC
26	WATCO, Inc.	3275 W. Ina Rd., Ste. 275
27	PO Box 364	Tucson, AZ 85741-2338
28	Overgaard, AZ 85933	Willow Valley Water Co., Inc.
	Water Utility of Greater Tonopah, Inc.	c/o Global Water
	c/o Global Water	21410 N. 19th Ave., Ste. 201
	21410 N. 19th Ave., Ste. 201	Phoenix, AZ 85027
	Phoenix, AZ 85027	Winchester Water Company, Inc.
	Water Utility of Northern Scottsdale, Inc.	7925 N. Oracle Rd., Ste. A202
	c/o Global Water	Tucson, AZ 85704
	21410 N. 19th Ave., Ste. 201	Woodruff Water Company, Inc.
	Phoenix, AZ 85027	17207 N. Perimeter Dr., Ste. 200
		Scottsdale, AZ 85255

1	Woody's Enterprises, Ltd. dba Ho-Tye Water Company	Hassayampa Utility Company, Inc.
2	11632 S. 194th Dr.	c/o Global Water
3	Buckeye, AZ 85326	21410 N. 19th Ave., Ste. 201
4	Yarnell Water Improvement Association	Phoenix, AZ 85027
5	PO Box 727	Kings Ranch Unit 2 Domestic Wastewater Improvement District
6	Yarnell, AZ 85362	c/o Virginia Gray, Chairperson
7	Yucca Water Association, Inc.	PO Box 1555
8	PO Box 575	Black Canyon City, AZ 85324
9	Yucca, AZ 86438	Lake Pleasant Sewer Company
10	Biasi Water Company, Inc.	PO Box 245
11	PO Box 518	Cave Creek, AZ 85327
12	Beaver Dam, AZ 86432	Perkins Mountain Utility Company
13	Black Mountain Sewer Corporation	4544 Highway 95
14	12725 W. Indian School Rd., Ste. D101	Bullhead City, AZ 86426
15	Avondale, AZ 85392	Picacho Sewer Company
16	Coronado Utilities, Inc.	9532 E. Riggs Rd.
17	7581 E. Academy Blvd., Ste. 229	Sun Lakes, AZ 85248
18	Denver, CO 80230	Pima Utility Company
19	Entrada Del Oro Sewer Company	9532 E. Riggs Rd.
20	12725 W. Indian School Rd., Ste. D101	Sun Lakes, AZ 85248
21	Avondale, AZ 85392	Pine Meadows Utilities, LLC
22	Global Water - Palo Verde Utilities Company, Inc.	7581 E. Academy Blvd., Ste. 229
23	c/o Global Water	Denver, CO 80230
24	21410 N. 19th Ave., Ste. 201	Litchfield Park Service Company
25	Phoenix, AZ 85027	12725 W. Indian School Rd., Ste. D101
26	Global Water - Picacho Cove Utilities Company	Avondale, AZ 85392
27	c/o Global Water	Livco Sewer Company
28	21410 N. 19th Ave., Ste. 201	PO Box 659
	Phoenix, AZ 85027	Concho, AZ 85924
	Gold Canyon Sewer Company	Martinez Lake Sewer Company
	12725 W. Indian School Rd., Ste. D101	10430 N. Martinez Lake Rd.
	Avondale, AZ 85392	Yuma, AZ 85365
		Mountain Pass Utility Company
		9532 E. Riggs Rd.
		Sun Lakes, AZ 85248

1	Sacramento Utilities, LLC	Dixie-Escalante Rural Electric Association,
2	PO Box 132	Inc.
3	Kirkland, AZ 86332	71 E. Hwy 56
4	Saddlebrooke Utility Company	Beryl, UT 84714
5	9532 E. Riggs Rd.	Duncan Valley Electric Cooperative, Inc.
6	Sun Lakes, AZ 85248	PO Box 440
7	Santa Rosa Utility Company	Duncan, AZ 85534
8	9532 E. Riggs Rd.	Garkane Energy Cooperative, Inc.
9	Sun Lakes, AZ 85248	PO Box 465
10	Seven Canyons Water Treatment Company	Loa, UT 84747
11	c/o Avion Holdings, LLC	Graham County Electric Cooperative, Inc.
12	15290 N. 78th Way, Ste. B-204	PO Drawer B
13	Scottsdale, AZ 85260	Pima, AZ 85543
14	Sweetwater Creek Utilities, Inc.	Mohave Electric Cooperative, Inc.
15	4730 E. 30th Place	PO Box 1045
16	Yuma, AZ 85365	Bullhead City, AZ 86430-1045
17	The Links at Coyote Wash Utilities, LLC	Navopache Electric Cooperative, Inc.
18	7581 E. Academy Blvd., Ste. 229	1878 W. White Mountain Blvd.
19	Denver, CO 80230	Lakeside, AZ 85929
20	Verde Santa Fe Wastewater Company, Inc.	Noble Americas Energy Solutions, LLC
21	7581 E. Academy Blvd., Ste. 229	401 W. A St., Ste. 500
22	Denver, CO 80230	San Diego, CA 92101-3017
23	Wickenburg Ranch Wastewater, LLC	Southwest Transmission Cooperative, Inc.
24	PO Box 16460	PO Box 2195
25	Phoenix, AZ 85011	Benson, AZ 85602
26	Arizona Electric Power Cooperative, Inc.	Sulphur Springs Valley Electric Cooperative,
27	PO Box 670	Inc.
28	Benson, AZ 85602	350 N. Haskell Ave.
	Arizona Public Service Company	Willcox, AZ 85643
	PO Box 53999 Station 9708	Trico Electric Cooperative, Inc.
	Phoenix, AZ 85072-3999	PO Box 930
	Columbus Electric Cooperative, Inc.	Marana, AZ 85653-0930
	PO Box 631	Tucson Electric Power Company
	Deming, NM 88031	PO Box 711, Mailstop HQE910
		Tucson, AZ 85702

1 UNS Electric, Inc.
2 PO Box 711, Mailstop HQE910
3 Tucson, AZ 85702

Commercial Pay Phones, LLC
8510 NW 56th St.
Miami, FL 33166

4 Alliant Gas, LLC
5 200 W. Longhorn Rd.
6 Payson, AZ 85541

Custom Communications Network
2251 N. Rampart Blvd., Ste. 255
Las Vegas, NV 89128

7 Copper Market, Inc.
8 PO Box 245
9 Bagdad, AZ 86321

Ambalel B. Patel dba D.M. Motel
2131 S. Craycroft Rd.
Tucson, AZ 85711

10 Duncan Valley Electric Cooperative's Gas
11 Division
12 PO Box 440
13 Duncan, AZ 85534

DSI-ITI, LLC
Attn: Susan Cockerham
12021 Sunset Hills Rd., Ste. 100
Reston, AZ 20190

14 Graham County Utilities, Inc. (Gas Division)
15 PO Drawer B
16 Pima, AZ 85543

Embarq Payphone Services, Inc.
100 CenturyLink Dr., MS: 1NW702
Monroe, LA 71203

17 Southwest Gas Corporation
18 PO Box 98510
19 Las Vegas, NV 89193-8510

FSH Communications, LLC
115 S. LaSalle, Ste. 2600
Chicago, IL 60603

20 UNS Gas, Inc.
21 PO Box 711, Mailstop HQE910
22 Tucson, AZ 85702

Global Tel*Link Corporation
Attn: Susan Cockerham
12021 Sunset Hills Rd., Ste. 100
Reston, AZ 20190

23 Harold W. Bullard dba Verde West Irrigation
24 PO Box 744
25 Camp Verde, AZ 86322

IMC/Information Management Consultants
1630 E. Briarwood Terrace
Phoenix, AZ 85048

26 Turner Ranches Water & Sanitation
27 Company
28 PO Box 1020
Apache Junction, AZ 85217-1020

Inmate Calling Solutions, LLC
2200 Danbury St.
San Antonio, TX 78217

Ashline Group
14231 N. 51st Dr.
Glendale, AZ 85306

Interstate Telecommunications, Inc.
1385 Weber Industrial Dr.
Cumming, GA 30041

Bill Bradford dba Bradford Communications
PO Box 702
Pearce, AZ 85625

Kevin Knutson dba Cryptic Communications
10807 N. Sundown Dr.
Scottsdale, AZ 85260

1	Metro Vending of Arizona, Co. PO Box 28237 2	WiMacTel, Inc. 13515 I Circle Omaha, NE 68137	
3	Pacific Communications, LLC 6115 S. Kyrene Rd. Ste. 103 4	1-800 Collect, Inc. dba Simple Billing Solutions 1685 Gailes Blvd., Ste. B 5	San Diego, CA 92154
6	Pay Tel Communications, Inc. 4230 Beechwood Dr. 7	800 Response Information Services LLC Telecom Plaza 200 Church St 8	Burlington, VT 05401
9	Public Communications Services, Inc. Attn: Susan Cockerham 12021 Sunset Hills Rd., Ste. 100 10	ABS-CBN Telecom North America, Incorporated 150 Shoreline Dr. 11	Redwood City, CA 94065
12	Radical System Solutions, Inc. 8018 E. Santa Ana Canyon Rd., Ste. 100#163 Anaheim,, CA 92808-1102	Access One, Inc. 820 W. Jackson Blvd., 6th Floor Chicago, IL 60607	
13	R. Scott De Long dba DeLong Industries Group, Inc. 14	Access Point, Inc. 1100 Crescent Green, Ste. 109 15	Cary, NC 27518
16	Securus Technologies, Inc. 14651 Dallas Pkwy., Ste. 600 17	AccessLine Communications Corporation 11201 SE Eighth St., Ste. 200 Bellevue, WA 98004	
18	Sugar Kane Vending Company, LLC dba Community Pay Phone 1687 W. Silver Berry Pl. 19	Accipiter Communications Inc., dba Zona Communications 2238 W. Lone Cactus Dr., Ste. 100 20	Phoenix, AZ 85027
21	The Antigua Group, Inc. 16651 N. 84th Ave. 22	ACN Communication Services, Inc. 1000 Progress Place Concord, NC 28025-2449	
23	Todd Brooke dba Universal Telecom 10105 E. Via Linda, Ste. 103-244 24	Advantage Telecommunications Corp. 3001 Aloma Ave., Ste. 304 25	Winter Park, FL 32792
26	Value-Added Communications, Inc. Attn: Susan Cockerham 12021 Sunset Hills Rd., Ste. 100 27	Affinity Network Incorporated dba QuantumLink Communications 250 Pilot Rd., Ste. 300 28	Las Vegas, NV 89119

1	Airespring, Inc.	AT&T Corp.
2	6060 Sepulveda Blvd., Ste. 220	Attn: Cindy Hardy
3	Van Nuys, CA 91411	One AT&T Way, Rm 3C220G
4	Airnex Communications, Inc.	Bedminster, NJ 07921
5	5000 Hopyard Rd., Ste. 240	ATC Outdoor DAS, LLC
6	Pleasanton, CA 94588	116 Huntington Ave., 11th Floor
7	Alliance Global Networks, LLC	Boston, MA 02116
8	1221 Post Rd. E.	Bandwidth.com CLEC, LLC
9	Westport, CT 06880	900 Main Campus Dr., Ste. 500
10	Alliance Group Services, Inc.	Raleigh, NC 27606
11	1221 Post Rd. E.	BCE Nexxia Corporation
12	Westport, CT 06880	160 Elgin St., 19th Floor
13	America Net, LLC	Ottawa Ontario, Canada K2P 2C4
14	3580 Wilshire Blvd., 17th Floor	BCN Telecom, Inc.
15	Los Angeles, CA 90010	550 Hills Dr., Ste. 110, 1st Floor
16	American Phone Services, Corp.	Bedminster, NJ 07921
17	308 Maxwell Rd., Ste. 100	Bellsouth Long Distance, Inc.
18	Alpharetta, GA 30009	675 W. Peachtree St., Rm 17E21
19	American Telecommunications Systems, Inc.	Atlanta, GA 30308
20	4450 Belden Village St. NW, Ste. 602	BetterWorld Telecom, LLC
21	Canton, OH 44718	11951 Freedom Dr., 13th Floor
22	Americatel Corporation	Reston, VA 20190
23	433 E. Las Colinas Blvd., Ste. 500	Broadband Dynamics, LLC
24	Irving, TX 75039	8757 E. Via De Commercio, 1st Floor
25	Americom Technologies, Inc. dba Network	Scottsdale, AZ 85258
26	Utilization Services	Broadview Networks, Inc.
27	PO Box 990-165	1018 W. 9th Ave.
28	Boston, MA 02199	King of Prussia, PA 19406
29	AmeriVision Communications, Inc. dba	Broadvox-CLEC, LLC
30	Affinity4	1950 Stemmons Fwy., Ste. 3031
31	999 Waterside Dr., Ste. 1910	Dallas, TX 75207
32	Norfolk, VA 23510	Broadwing Communications, LLC
33	Arizona Telephone Company	1025 Eldorado Blvd.
34	204 N. Indiana St.	Broomfield, CO 80021
35	PO Box 88	BT Communications Sales, LLC
36	Roachdale, IN 46172-0088	11440 Commerce Park Dr., Ste. 1000
37		Reston, VA 20191

1	Budget PrePay, Inc.	Clear World Communications Corporation
2	1325 Barksdale Blvd., Ste. 200	3501 S. Harbot Blvd., Ste. 200
3	Bossier City, LA 71111	Santa Ana, CA 92704
4	Buehner-Fry, Inc. dba Resort Operator Services	Comcast Phone of Arizona, LLC
5	389 SW Scalehouse Ct., Ste. 100	Attn: Joanne Horstmann
6	Bend, OR 97702	200 Cresson Blvd.
7	BullsEye Telecom, Inc.	Oaks, PA 19456
8	25925 Telegraph Rd., Ste. 210	Coast International, Inc.
9	Southfield, MI 48033	14303 W. 95th St.
10	Business Discount Plan, Inc.	Lenexa, KS 66215
11	One World Trade Center St., Ste. 800	Communications Network Billing, Inc.
12	Long Beach, CA 90831	200 S. Virginia St., 8th Floor
13	Business Network Long Distance, Inc.	Reno, NV 89501
14	1400 Sixteenth St., Ste. 400	ComNet (USA), LLC
15	Denver, CO 80202	700 S. Flower St., Ste. 950
16	Business Telecom, Inc.	Los Angeles, CA 90017
17	7037 Old Madison Pike, Ste. 400	ComTech21, LLC
18	Huntsville, AL 35806	One Barnes Park S.
19	Cascade Access, LLC	Wallingford, CT 06492
20	PO Box 189	Conectado, Inc.
21	Estacada, OR 97023	701 N. Green Valley Pkwy., Ste. 200
22	Cbeyond Communications, LLC	Henderson, NV 89074
23	320 Interstate North Pkwy. SE	Consumer Telcom, Inc.
24	Atlanta, GA 30339-2213	701 N. Green Valley Pkwy., Ste. 200
25	Central Telecom Long Distance, Inc.	Henderson, NV 89074
26	102 S. Tejohn St., 11th Floor	Copper Valley Telephone, Inc.
27	Colorado Springs, CO 80903	PO Box 970
28	Cincinnati Bell Any Distance, Inc.	Willcox, AZ 85644
	221 E. Fourth St., Ste. 103-1170	Cox Arizona Telcom, LLC
	Cincinnati, OH 45202	1550 W. Deer Valley Rd.
	Citynet Arizona, LLC	Phoenix, AZ 85027
	170 S. William Dillard Dr., Ste. 115	Crexendo Business Solutions, Inc.
	Gilbert, AZ 85233	1615 S. 52nd St.
		Tempe, AZ 85281-6233

1 CTC Communications Corp
5 Wall St.
2 Burlington, MA 01803

Encompass Communications, LLC
119 W. Tyler St., Ste. 286
Longview, TX 75601

3 Custom Network Solutions, Inc.
4 210 Route 4 E., Ste. 201
5 Paramus, NJ 07652

Enhanced Communications Group, LLC
PO Box 936
Bartlesville, OK 74005

6 Custom Teleconnect, Inc.
6242 W. Desert Inn Rd.
7 Las Vegas, NV 89146

Enhanced Communications Network, Inc.
1031 S. Glendora Ave.
West Covina, CA 91790

8 Cypress Communications Operating
Company, LLC
9 75 Erieview Plaza, Ste. 400
10 Cleveland, OH 44114

Entelegant Solutions, Inc.
3800 Arco Corp Dr., Ste. 310
Charlotte, NC 28273

11 DCT Telecom Group, Inc.
27877 Clemens Rd.
12 Westlake, OH 44145

Ernest Communications, Inc.
5275 Triangle Pkwy., Ste. 150
Norcross, GA 30092

13 DeltaCom, Inc.
7037 Old Madison Pike, Ste. 400
14 Huntsville, AL 35806

Eschelon Telecom of Arizona, Inc.
1201 NE Lloyd Blvd., Ste. 500
Portland, OR 97232

15 dishNET Wireline, LLC
16 Attn: Tax Dept. - K. Mahurin
PO Box 6623
17 Englewood, CO 80155

ExteNet Systems, Inc.
3030 Warrenville Rd., Ste. 340
Lisle, IL 60532

18 EarthLink Business LLC
19 2610 Horizon Dr., Ste. B
20 Grand Rapids, MI 49546

First Choice Technology, Inc.
903 Lake Lilly Dr., Ste. A125
Maitland, FL 32751

21 Easton Telecom Services, LLC
Summit II - Unit A
22 3046 Brecksville Rd.
Richfield, OH 44286

First Communications, LLC
3340 W. Market St.
Akron, OH 44333

23 Electric Lightwave, LLC
24 1201 NE Lloyd Blvd., Ste. 500
25 Portland, OR 97232

France Telecom Corporate Solutions, LLC
13775 McLearen Rd., MS: 1100
Oak Hill, VA 20171-3212

26 Embarq Communications, Inc.
100 CenturyLink Dr.
27 Monroe, LA 71203

Frontier Citizens Utilities Rural
1800 41st St.
Everett, WA 98201

Frontier Communications of the White
Mountains, Inc.
1800 41st St.
Everett, WA 98201

1	Frontier Communications of America, Inc.	HJN Telecom, Inc.
2	100 CTE Dr.	801 International Pkwy., 5th Floor
3	Dallas, PA 18612	Lake Mary, FL 32746
4	Frontier Communications of the Southwest, Inc.	Hypercube Telecom, LLC
5	1800 4th St.	3200 W. Pleasant Run Rd., Ste. 300
6	Everett, WA 98201	Lancaster, TX 75146
7	Frontier Communications Online and Long Distance, Inc.	IBFA Acquisition Company, LLC
8	100 CTE Dr.	353 Sacramento St., Ste. 1500
9	Dallas, PA 18612	San Francisco, CA 94111
10	Gila Local Exchange Carrier	IDT America, Corp.
11	Box 5020	550 Broad St.
12	7065 W. Allison Rd.	Newark, NJ 07102
13	Chandler, AZ 85226	inContact, Inc.
14	Global Crossing Local Services, Inc.	7730 S. Union Park Ave., Ste. 500
15	1025 Eldorado Blvd.	Midvale, UT 84047
16	Broomfield, CO 80021	iNetworks Group, Inc.
17	Global Crossing Telecommunications, Inc.	125 S. Wacker Dr., Ste. 2510
18	1025 Eldorado Blvd.	Chicago, IL 60606
19	Broomfield, CO 80021	Inmark, Inc.
20	Go Solo Technologies, Inc.	442 Hayward Ave. N
21	5410 Mariner St., Ste. 175	Oakdale, MN 55128
22	Tampa, FL 33609-3434	Integrated Services, Inc.
23	Gold Line Telemanagement, Inc.	5 Revere Dr.
24	300 Allstate Pkwy.	One Northbrook Place
25	Markham, Ontario Canada L3R 0P2	Northbrook, IL 60062-1550
26	Granite Telecommunications, LLC	Airus, Inc. fka IntelePeer, Inc.
27	100 Newport Ave Ext.	222 S. Riverside Plaza, Ste. 2730
28	Quincy, MA 02171	Chicago, IL 60606
	Grasshopper Group, LLC	Intellicall Operator Services, Inc. dba ILD
	197 1st Ave., Ste. 200	1049 NE Macedonia Church Ave.
	Needham, MA 02492	Lee, FL 32059
	Greenfly Networks, Inc.	NOS Communications, Inc. dba International Plus
	PO Box 77706	250 Pilot Rd., Ste. 300
	San Francisco, CA 94107	Las Vegas, NV 89119

1 Intrado Communications, Inc.
1601 Dry Creek Dr.
2 Longmont, CO 80503

3 IPC Network Services, Inc.
4 1 State Street Plaza, 12th Floor
5 New York, NY 10004

6 KDDI America, Inc.
7 825 Third Ave., 3rd Floor
8 New York, NY 10022

9 LCR Telecommunications, LLC
10 100 W. Big Beaver Rd., Ste. 200
11 Troy, MI 48084

12 Leap Frog Telecom, LLC dba Voice Telecom
13 8426 E. Shea Blvd.
14 Scottsdale, AZ 85260

15 Least Cost Routing, Inc.
16 628 Lakeview Shores Loop
17 Mooresville, NC 28117

18 Legent Communications Corporation
19 15615 Alton Pkwy., Ste. 245
20 Irvine, CA 92618

21 Level 3 Communications, LLC
22 1025 Eldorado Blvd.
23 Broomfield, CO 80021

24 Lexent, Inc.
25 80 Central St.
26 Boxborough, MA 01719

27 Lightyear Network Solutions, LLC
28 1901 Eastpoint Pkwy.
Louisville, KY 40223

Long Distance Consolidated Billing Co.
20 W. Washington St., Ste. 6A
Clarkston, MI 48346

Matrix Telecom, Inc.
433 E. Las Colinas Blvd., Ste. 500
Irving, TX 75039

MCC Telephony of the West, LLC
One Mediacom Way
Mediacom Park, NY 10918

McGraw Communications, Inc.
521 5th Ave., 14th Floor
New York, NY 10175

MCI Communications Services, Inc.
22001 Loudoun County Pkwy.
Ashburn, VA 20147

MCImetro Access Transmission Services,
LLC
22001 Loudoun Country Pkwy.
Ashburn, VA 20147

McLeodUSA Telecommunications Services,
LLC
4001 N. Rodney Parham Rd.
Little Rock, AR 72212

MegaPath Corporation
1835-B Kramer Lane, Ste. 100
Austin, TX 78758

Mercury Voice and Data, LLC
12444 Powerscourt Dr., Ste. 140
St. Louis, MO 63131

Metropolitan Telecommunications of
Arizona, Inc.
55 Water St., 31st Floor
New York, NY 10041

Midvale Telephone Company, Inc.
2205 Keithley Circle Dr.
Midvale, ID 83645

Mitel NetSolutions, Inc.
1146 N. Alma School Rd.
Mesa, AZ 85201-3000

Mosaic Networx LLC
PO Box 720128
Oklahoma City, OK 73172-0128

1 Mountain Telecommunications of Arizona,
2 Inc.
3 1201 NE Lloyd Blvd., Ste. 500
4 Portland, OR 97232

5 Multiline Long Distance, Inc.
6 8044 Montgomery Rd., Ste. 700
7 Cincinnati, OH 45236

8 National Access Long Distance, Inc.
9 871 Coronado Center Dr., Ste. 200
10 Henderson, NV 89052

11 National Directory Assistance, LLC
12 12700 Townepark Way
13 Louisville, KY 40243

14 Nationwide Long Distance Services, Inc.
15 2000 Town Center, Ste. 1900
16 Southfield, MI 48075

17 Navajo Communications Company, Inc.
18 1800 41st St.
19 Everett, WA 98201

20 NECC Telecom, Inc.
21 4969 US Hwy 42, Ste. 2700
22 Louisville, KY 40222

23 Network Billing Systems, LLC
24 155 Willowbrook Blvd.
25 Wayne, NJ 07470

26 Network Communications International
27 Corp.
28 606 E. Magrill St.
Longview, TX 75601

Network Enhanced Technologies, Inc.
700 S. Flower St., Ste. 420
Los Angeles, CA 90017

Network Operator Services, Inc.
PO Box 3529
Longview, TX 75606

Network Service Billing, Inc.
7251 W. Lake Mead Blvd., Ste. 300
Las Vegas, NV 89128

NetworkIP, LLC
119 W. Tyler St., Ste. 100
Longview, TX 75601

Neutral Tandem-Arizona, LLC
550 W. Adams St., Ste. 900
Chicago, IL 60661

NewPath Networks, LLC
2000 Corporate Dr.
Canonsburg, PA 15317

NextG Networks of California, Inc.
2000 Corporate Dr.
Canonsburg, PA 15317

NextGen Communications, Inc.
275 W. St., Ste. 400
Annapolis, MD 21401

NobleTel, LLC
5973 Avenida Encinas, Ste. 202
Carlsbad, CA 92008

Norstar Telecommunications, LLC
10025 Scenic View Rd.
Vienna, VA 22182

North County Communications Corporation
3802 Rosencrans, Ste. 485
San Diego, CA 92110

NOSVA Limited Partnership
250 Pilot Rd. Ste. 300
Las Vegas, NV 89119

NovaTel Ltd., Inc.
PO Box 720128
Oklahoma City, OK 73172-0128

NTS Communications, Inc.
1220 Broadway, Suite 100
Lubbock, TX 79401-3202

1	OneLink Communications, Inc. 8400 N. University Dr., Ste. 204 Tamarac, FL 33321	Q Link Wireless, LLC 499 E. Sheridan St., Ste. 300 Dania, FL 33004
3	Onvoy, LLC 10300 6th Ave. N. Plymouth, MN 55441	QuantumShift Communications, Inc. 12657 Alcosta Blvd., Ste. 418 San Ramon, CA 94583
6	Operator Service Company, LLC PO Box 720128 Oklahoma City, OK 73172-0128	Qwest Communications Company, LLC 1801 California St., Rm. 310 Denver, CO 80202
8	OPEX Communications, Inc. 3605 Long Beach Blvd., Ste. 201 Long Beach, CA 90807	Qwest Corporation 1801 California St., Rm. 310 Denver, CO 80202
10	Orbitcom, Inc. 1701 N. Louise Dr. Sioux Falls, SD 57107	Qwest LD Corp. 1801 California St., Rm. 310 Denver, CO 80202
13	PAETEC Communications, Inc. 4001 N. Rodney Parham Rd. Little Rock, AR 72212	Reduced Rate Long Distance, LLC 1800 Pembroke Dr., Ste. 300 Orlando, FL 32810
15	Peerless Network of Arizona, LLC 222 S. Riverside Plaza, Ste. 2730 Chicago, IL 60606	Rio Virgin Telephone Company PO Box 189 Estacada, OR 97023
17	PNG Telecommunications, Inc. 100 Commercial Dr. Fairfield, OH 45014	SBC Long Distance, LLC 1010 N. St. Mary's St., Rm 13-21 San Antonio, TX 78215
19	POPP.com, Inc. 620 Mendelssohn Ave. N Golden Valley, MN 55427	SNET America, Inc. 310 Orange St., 6th Floor New Haven, CT 06510
22	Preferred Long Distance, Inc. 16830 Ventura Blvd., Ste. 350 Encino, CA 91436	South Central Utah Telephone Association, Inc. PO Box 555 45 N. 100 W. Escalante, UT 84726
24	Primus Telecommunications, Inc. c/o Corporation Services Co. 2338 W. Royal Palm Rd., Ste. J Phoenix, AZ 85021	Southwestern Telephone Company 204 N. Indiana St. PO Box 88 Roachdale, IN 46172-0088
27	Public Communications Services, Inc. 12021 Sunset Hills Rd., Ste. 100 Reston, VA 20190	

1 Spectrotel, Inc.
3535 State Hwy 66, Ste. 7
2 Neptune, NJ 07753

3 Sprint Communications Company, LP
4 6391 Sprint Pkwy., MS: Z2400
Overland Park, KS 66251

5 STi Prepaid, LLC
6 1250 Broadway, 25th Floor
7 New York, NY 10001

8 Access2Go, Inc.
1595 Peachtree Pkwy., Ste. 204-337
9 Cumming, GA 30041

10 Table Top Telephone Company, Inc.
11 PO Box 21
O'Neals, CA 93645

12 Talk America, Inc.
13 4001 N. Rodney Parham Rd.
14 Little Rock, AR 72212

15 TCO Network, Inc.
13400 Bishops Lane, Ste. 295
16 Brookfield, WI 53005

17 TDS Long Distance Corporation
525 Junction Rd.
18 Madison, WI 53717

19 Telco Experts, LLC
20 169 Ramapo Valley Dr., Floor 3, Ste. 303
Oakland, NJ 07436

21 Tele Circuit Network Corporation
22 1815 Satellite Blvd., Ste. 504
23 Duluth, GA 30097

24 Telecare, Inc.
176 W. Logan St., Ste. 232
25 Noblesville, IN 46060

26 Telecom Management, Inc.
27 39 Darling Ave.
South Portland, ME 04106

28

Telecom North America Inc.
2654 W. Horizon Ridge Pkwy.
Henderson, NV 89052

Teleconnect Long Distance Services and
Systems Co.
22001 Loudoun County Pkwy.
Ashburn, VA 20147

TeleDias Communications, Inc.
5605 Riggins Ct., Ste. 265
Reno, NV 89502

Teleport Communications America, LLC
Attn: Cindy Hardy
One AT&T Way, Rm 3C220G
Bedminster, NJ 07921

TeleQuality Communications, Inc.
16601 Blanco Rd., Ste. 207
San Antonio, TX 78232

TeleUno, Inc.
2754 W. Atlantic Blvd., Ste. 8
Pompano Beach, FL 33069

Telmex USA, LLC
3350 SW 148th Ave., Ste. 400
Miramar, FL 33027

Telrite Corporation
4113 Monticello St.
Covington, GA 30014

Telscape Communications, Inc.
10440 N. Central Expressway, Ste. 700
Dallas, TX 75231-2228

Time Warner Cable Information Services
(Arizona), LLC
60 Columbus Circle
New York, NY 10023

TNCI Operating Company LLC
114 E. Haley St., Ste. A
Santa Barbara, CA 93101

1 Total Call International, Inc.
1411 W. 190th St., Ste. 700
2 Gardena, CA 90248

Valley Telephone Cooperative, Inc.
PO Box 970
Willcox, AZ 85644

3 Total Holdings, Inc.
4 3605 Long Beach Blvd., Ste. 201
Long Beach, CA 90807

Velocity The Greatest Phone Company Ever,
Inc.
7130 Spring Meadows Dr. W.
Holland, OH 43528-9296

5 Touchtone Communications, Inc.
6 16 S. Jefferson Rd.
7 Whippany, NJ 07981

Verizon Enterprise Solutions LLC
1 Verizon Way, Mail Code: VC53S460
Basking Ridge, NJ 07920

8 Transtelco, Inc.
500 W. Overland Ave., Ste. 310
9 El Paso, TX 79901

Verizon Long Distance LLC
1 Verizon Way, Mail Code: VC53S460
Basking Ridge, NJ 07920

10 TransWorld Network, Corp.
255 Pine Ave. N
11 Oldsmar, FL 34677

Verizon Select Services, Inc.
1 Verizon Way, Mail Code: VC53S460
Basking Ridge, NJ 07920

12 Globalinx Enterprises, Inc. fka Tri-M
13 Communications, Inc.
14 5LINK Enterprises, Inc.
275 Kenneth Dr.
15 Rochester, NY 14623

Voicecom Telecommunications, LLC
5900 Windward Pkwy., Ste. 500
Alpharetta, GA 30005

16 TTI National, Inc.
22001 Loudoun County Pkwy.
17 Ashburn, VA 20147

WDT World Discount Telecommunications,
Co.
PO Box 720128
Oklahoma City, OK 73172-0128

18 tw telecom of arizona llc
19 10475 Park Meadows Dr.
Littleton, CO 80124

Westel, Inc.
9606 N. Mopac, Ste. 700
Austin, TX 78759

20 U.S. Telecom Long Distance, Inc.
21 3960 Howard Hughes Pkwy.
22 Las Vegas, NV 89109

Wholesale Carrier Services, Inc.
5471 N. University
Coral Springs, FL 33067

23 dPi TeleConnect, LLC
1330 Capital Pkwy.
24 Carrollton, TX 75006

WilTel Communications, LLC
1025 Eldorado Blvd.
Broomfield, CO 80021

25 Valley Connections, LLC
26 PO Box 970
Willcox, AZ 85644

Windstream Communications, Inc.
4001 N. Rodney Parham Rd.
Little Rock, AR 72212

1 Working Assets Funding Service Inc.
101 Market St., Ste. 700
2 San Francisco, CA 94105

3 X2Comm, Inc.
4 270 S. Main St.
Fleming, NJ 08822

5 XO Communications Services, Inc.
6 13865 Sunrise Valley Dr.
7 Herndon, VA 20171

8 YMax Communications Corp.
PO Box 6785
9 West Palm Beach, FL 33405-6785

10 Zayo Group, LLC
11 400 Centennial Pkwy., Ste. 200
Louisville, CO 80027

12 Zone Telecom, LLC
13 PO Box 720128
14 Oklahoma City, OK 73172-0128

15 Daniel Pozefsky
Residential Utility Consumer Office
16 1110 W. Washington, Suite 220
Phoenix, AZ 85007

17 Mr. Steven M. Olea
18 Director, Utilities Division
19 Arizona Corporation Commission
1200 West Washington Street
20 Phoenix, Arizona 85007

21 Ms. Janice M. Alward
22 Chief Counsel, Legal Division
Arizona Corporation Commission
23 1200 West Washington Street
Phoenix, Arizona 85007

EXHIBIT A

NOTICE OF PROPOSED RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;

SECURITIES REGULATION

CHAPTER 2. CORPORATION COMMISSION FIXED UTILITIES

ARTICLE 1. GENERAL PROVISIONS.

PREAMBLE

1. Sections Affected Rulemaking Action

R14-2-103

Amend

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: Arizona Constitution article XV § 3; A.R.S. §§ 40-202; 40-203; 40-321, 40-322, 40-281, 40-282.

Implementing statute: Arizona Constitution article XV § 3; A.R.S. §§ 40-202; 40-203; 40-321, 40-322, 40-281, 40-282.

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: Published Concurrently in 20 A.A.R., May 9, 2014 (*in this issue*)

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Bridget A. Humphrey

Attorney, Legal Division, Arizona Corporation Commission

Address: 1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-3402

Fax: (602) 542-4870

E-mail: bhumphrey@azcc.gov

Name: Matthew Laudone

Attorney, Legal Division, Arizona Corporation Commission

Address: 1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-3402

Fax: (602) 542-4870

E-mail: mlaudone@azcc.gov

Name: John LeSueur

Assistant Director, Utilities Division, Arizona Corporation Commission

Address: 1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-4228

Fax: (602) 542-2129

E-mail: ljlesueur@azcc.gov

5. **An explanation of the rule, including the agency's reasons for initiating the rule:**

The proposed changes will update the annual in-state operating revenue thresholds that classify utilities as A, B, C, D or E, which have not been updated since their adoption by the Commission in Decision No. 57875 (May 18, 1992). Except for Telephone utilities, the proposed revenue thresholds would double the existing Class A threshold, triple the existing Class B threshold, quadruple the existing Class C threshold, and quintuple the existing Class D and E thresholds. Reclassifying Commission-regulated utilities in this manner will impact the applicability of other Commission rules, change rate case filing, accounting and time clock requirements, and the eligibility for submitting a rate case via a short form application.

6. **A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**

None

7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

8. **The preliminary summary of the economic, small business, and consumer impact:**

NOTE – The Arizona Corporation Commission is exempt from the requirements of A.R.S. § 41-1055 relating to economic, small business, and consumer impact statements. See A.R.S. § 41-1057(2). However, under A.R.S. § 41-1057(2), the Arizona Corporation Commission is required to prepare a “substantially similar” statement.

1. NEED:

The proposed rule changes are necessary to update the revenue thresholds used to establish the utility classifications. Proponents of the proposed rule changes believe they will reduce regulatory lag, streamline Commission processes and reduce rate case expense.

2. NAME AND ADDRESS OF AGENCY EMPLOYEE WHO MAY BE CONTACTED TO SUBMIT ADDITIONAL DATA ON THE INFORMATION INCLUDED IN THIS STATEMENT:

John LeSueur, Assistant Director, Utilities Division

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Telephone Number (602) 542-4251; Fax Number (602) 542-2129

3. AFFECTED CLASSES OF PERSONS:

- A. Commission-regulated utilities
- B. customers of Commission-regulated utilities
- C. intervenors in utility rate cases
- D. Arizona Corporation Commission

4. RULE IMPACT ON AFFECTED CLASSES OF PERSONS:

- A. Fewer utilities must comply with the Commission’s Affiliated Interests Rules, Energy Efficiency Rules, and Cooperative Streamlining Rules. Utilities’ rate case filing, accounting and time clock requirements, and the eligibility for submitting a rate case via a short form application will change.

B. Utility cases will be processed faster.

C. The Commission will be required to process more utilities' rate cases within 120 days.

Commission rules require the Commission to process Class E utility rate cases within 120 days. The number of Class E utilities will increase from approximately 200 to approximately 320.

5. COSTS AND BENEFITS TO THE AGENCY:

The Commission will have to process more utility rate cases within the 120 days.

6. COSTS AND BENEFITS TO POLITICAL SUBDIVISIONS:

There will be no impact to political subdivisions because the Commission does not have jurisdiction over political subdivisions and the Rules do not apply to them.

7. COSTS AND BENEFITS TO PRIVATE PERSONS:

Customers of utilities will benefit if rate case expense declines and if reducing regulatory lag improves the financial health and stability of regulated utilities. Customers and intervenors may be negatively impacted by having less time to scrutinize and participate in utility rate cases.

8. COST AND BENEFITS TO CONSUMERS OR USERS OF ANY PRODUCT OR SERVICE IN THE IMPLEMENTATION OF THE NEW RULES.

Not applicable.

9. LESS COSTLY OR INTRUSIVE METHODS:

The amendments to the rules are the least costly method for obtaining compliance with the updated standards and, with respect to the incorporated by reference materials, provide for the Commission's rules to be consistent with A.R.S. § 41-1028 and the rules of the Secretary of State.

10. ALTERNATIVE METHODS CONSIDERED:

There are no alternative methods available that promulgate adoption of the updated standards and, with respect to the incorporated by reference materials, provide for the Commission's rules to be consistent with A.R.S. § 41-1028 and the rules of the Secretary of State.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Bridget A. Humphrey, Esq.

Attorney, Legal Division, Arizona Corporation Commission

Address: 1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-3402

Fax: (602) 542-4870

E-mail: bhumphrey@azcc.gov

Name: Matthew Laudone, Esq.

Attorney, Legal Division, Arizona Corporation Commission

Address: 1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-3402

Fax: (602) 542-4870

E-mail: mlaudone@azcc.gov

Name: John LeSueur

Assistant Director, Utilities Division, Arizona Corporation Commission

Address: 1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-7270

Fax: (602) 542-2129

E-mail: jllesueur@azcc.gov

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Public comment will be held on June 12, 2014, beginning at 1:00 p.m. or as soon as practicable thereafter, in Hearing Room 1 at the Commission's Phoenix offices of the Arizona Corporation Commission located at 1200 West Washington, Phoenix, Arizona 85007, and on June 9, 2014, at 1:00 p.m. in Room 222 at the

Commission's offices, 400 W. Congress Tucson, Arizona. Hearing Division requests initial written comments be received on or before June 13, 2014. Please reference docket number RU-00000A-13-0294 on all documents.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES

REGULATION

CHAPTER 2. CORPORATION COMMISSION

FIXED UTILITIES

ARTICLE 1. GENERAL PROVISIONS

**R14-2-103. Defining Filing Requirements in Support of a Request by a Public Service Corporation
Doing Business in Arizona for a Determination of the Value of Property of the Corporation and of the Rate of
Return Thereon, or in Support of Proposed Increased Rates or Charges**

A. Purpose and definitions

1. No change
2. No change
3. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - g. No change
 - h. No change
 - i. No change
 - j. No change
 - k. No change
 - l. No change
 - m. No change
 - n. No change
 - o. No change
 - p. No change
 - q. "Utilities" -- For purposes of the Section, utilities are electric, gas, telephone, water, sewer or any other that may be supplying service and/or commodities which in the future may be adjudged a public service corporation and under the jurisdiction of this Commission, are classified as follows:

	Annual Operating Revenue				
	Class A	B	C	D	E
Electric & Gas	Exceeding	\$1,000,000 to	\$250,000 to	\$50,000 to	Less than
	\$5,000,000	\$5,000,000	\$999,000	\$249,999	\$50,000
	<u>10,000,000</u>	<u>3,000,000 to</u> <u>10,000,000</u>	<u>1,000,000 to</u> <u>2,999,999</u>	<u>250,000 to</u> <u>999,999</u>	<u>250,000</u>
Water & Sewer	Exceeding	\$1,000,000 to	\$250,000 to	\$50,000 to	Less than
	\$5,000,000	\$5,000,000	\$999,000	\$249,999	\$50,000
	<u>10,000,000</u>	<u>3,000,000 to</u> <u>10,000,000</u>	<u>1,000,000 to</u> <u>2,999,999</u>	<u>250,000 to</u> <u>999,999</u>	<u>250,000</u>
Telephone	Exceeding	\$250,000 to	\$100,000 to	\$25,000 to	Less than
	\$1,000,000	\$1,000,000	\$249,000	\$99,999	\$25,000
	<u>10,000,000</u>	<u>3,000,000 to</u> <u>10,000,000</u>	<u>1,000,000 to</u> <u>2,999,999</u>	<u>250,000 to</u> <u>999,999</u>	<u>250,000</u>

Annual operating revenues are those gross utility operating revenues derived from jurisdictional operations, including the requested rate relief. A combination utility is a utility which provides more than one of the commodities or services enumerated in this subsection. For combination utilities, the annual operating revenue, including the requested rate relief, for the specific subsidiary, department, or operating division requesting the rate change shall be used for classification purposes.

r. No change

B. Filing requirements:

1. Information required from Class A, B, C and D utilities: The information required to be prepared and submitted by Class A, B, C and D Utilities in conjunction with a filing is presented below. Corresponding schedule formats are contained in the Appendix of this General Order and denoted. These formats are not applicable to Class E utilities. The Appendix schedule formats A-1 through A-5 are a part of this General Order, and the Applicant's schedules should conform to these formats. All other Appendix schedule formats and descriptions are illustrative and the applicant's specific formats may vary from that suggested in the Appendix. The substantive information requested, both on the Appendix schedule and in the body of this General Order, however, must be contained on the applicant's schedules together with the titles and schedule numbers provided in the Appendix. Specific information items requested on the Appendix schedules may be omitted without formal waiver, from the filing where it is evident that said items are not applicable to the applicant's business. The instructions and notes contained on the Appendix schedules shall be followed where applicable. Reconstruction Cost New Depreciated information not filed by the applicant shall be deemed waived.

Information	Filing Required by	Appendix Schedule Reference(s)
A. Summary Information:		
1. A summary of the increase in revenue requirements and the spread of the revenue increase by customer classification.	All classes	A-1
2. A summary of the results of operations for the test year and for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	All classes	A-2
3. A summary of the capital structure for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	Classes A & B	A-3
4. Construction expenditures and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	All classes	A-4
5. A summary of changes in financial position for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.	Classes A & B	A-5
B. Rate Base Information:		
1. A schedule showing the elements of original cost and RCND rate bases.	All classes	B-1
2. A schedule listing pro forma adjustments to gross plant in service and accumulated depreciation for the original cost rate base.	All classes	B-2
3. A schedule showing pro forma adjustments to gross plant in service and accumulated depreciation for the RCND rate base.	All classes	B-3
4. A schedule demonstrating the determination of reproduction cost new less depreciation at the end of the test period.	All classes	B-4
5. A schedule showing the computation of working capital allowance.	All classes	B-5
C. Test Year Income Statements:		
1. A test year income statement, with pro form adjustments.	All classes	C-1
2. A schedule showing the detail of all pro forma adjustments.	All classes	C-2
3. A schedule showing the incremental taxes and other expenses on gross revenues and the computation of an incremental gross revenue conversion factor.	All classes	C-3
D. Cost of Capital Information:		
1. A schedule summarizing the elements in the capital structure at the end of the test year and the projected year, their related costs and the computation of the total cost of capital.	All classes	D-1
2. A schedule showing the detail of long-term and short-term debt at the end of the test year and the projected year and their total cost.	Classes A & B	D-2
3. A schedule showing the detail of preferred stock at the end of the test year and the projected year, and their total cost.	Classes A & B	D-3
4. A schedule summarizing conclusions of the required return on the common equity as of the end of the test year and the projected year.	Classes A & B	D-4
E. Financial Statements and Statistical Data:		
1. Comparative balance sheets for the end of the test year and the 2 fiscal years ended prior to the end of the test year.	All classes	E-1
2. Comparative income statements for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes	E-2
3. Comparative statements of changes in financial position for the test year and the 2 fiscal years ended prior to the end of the test year.	Classes A & B	E-3
4. Statements of changes in stockholder's equity for the test year and the 2 fiscal years ended prior to the end of the test year.	Classes A & B	E-4
5. A comparative schedule showing by detail account number, utility plant balances at the end of the test year and the end of prior fiscal year.	All classes	E-5
6. Comparative departmental statements of operating income for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes of combination utilities	E-6
7. Comparative operating statistics on customers, consumption, revenues, and expenses for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes	E-7
8. A comparative schedule of all significant taxes charged to operations for the test year and the 2 fiscal years ended prior to the end of the test year.	All classes except Class D	E-8
9. Audited financial statements, if available, for the test year and the 2 fiscal years ended prior	All classes	E-9

to the end of the test year. If the financial statements have not been audited, notes to the financial statements should be provided to indicate accounting method, depreciation lives and methods, income tax treatment and other important disclosures.

F. Projections and Forecasts:

1. A projected income statement for the projected year compared with actual test year results, at present rates and proposed rates.	All classes	F-1
2. Projected changes in financial position for the projected year compared with the test year, at present rates and proposed rates.	Classes A & B	F-1
3. Projected annual construction requirements, by property classification, for 1 to 3 years subsequent to the test year, compared with the test year.	Classes A & B 3 years Classes C & D 1 year	F-3
4. Important assumptions used in preparing forecasts and projections.	All classes	F-4

G. Cost of Service Information

A utility shall submit cost of service analyses and studies if all of the following conditions prevail:

1. The utility is in a segment of the utility industry that recognizes cost of service studies as important tools for rate design.
2. Costs incurred by the utility are likely to vary significantly from 1 defined segment of customers to another.

A historical accounting period other than the test year may be used for cost of service purposes provided that customer mix in the historical period used is representative of the test year. When a cost of service analysis is required, the following information shall be submitted:

1. Schedule showing rates of return by customer classification at present and proposed rates.	Classes A, B and C if applicable	G-1 G-2
2. Schedules showing the approach used in allocating or assigning plant and expenses to classes of service and defined functions.	Classes A, B and C if applicable	G-3 G-4 G-5 G-6
3. Schedules showing the development of all allocation factors used in the all allocation factors used in the cost of service study.	Classes A, B and C if applicable	G-7

H. Effect of Proposed Rate Schedules:

1. A comparison of revenues by customer classification or other classification of revenues for the test year, at present and proposed rates.	All classes	H-1
2. A comparison of revenues by class of service and by rate schedule for the test year, at present and proposed rates.	Classes A & B	H-2
3. A comparison of present and proposed rate schedules or representative rate schedules.	Class A representative schedules; Classes B, C and D - all schedules	H-3
4. Typical bill analysis	All classes	H-4
5. Bill count	All classes	H-5

2. Information required from Class E Utilities: The information required to be prepared and submitted by a Class E Utility in support of a filing is as follows:

- a. A statement of income for the test year similar in format to Schedule C-1 or E-2.
- b. A balance sheet as of the end of the test year similar in format to Schedule E-1.
- c. Utility plant account balances at the end of the test year similar in format to Schedule E-5.
- d. An estimate of new investment in utility plant to be added in the projected year.

- e. A schedule of current rates and proposed rates and the additional revenues to be derived from the proposed rates.

The appendix schedules shall be used as guides in presenting the information specified in this subsection.

- 3. No change
- 4. No change
- 5. No change
- 6. No change
- 7. No change
- 8. No change
- 9. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
- 10. No change
- 11. No change
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - c. No change
 - d. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - e. No change
 - i. No change
 - ii. No change
 - f. No change
 - g. No change
 - h. No change

Appendix. **Arizona Corporation Commission; Regulation R14-2-103; Rate Application
Filing Requirements; Index of Schedules**

No change

Appendix A. **Summary Schedules**

No change

Appendix B. **Rate Base Schedules**

No change

Appendix C. **Test Year Income Statements**

No change

Appendix D. **Cost of Capital**

No change

Appendix E. **Financial Statements and Statistical Schedules**

No change

Appendix F. **Projections and Forecasts**

No change

Appendix G. **Cost of Service Analyses**

No change

Appendix H. **Effect of Proposed Tariff Schedules**

No change

EXHIBIT B

ECONOMIC, SMALL BUSINESS AND CONSUMER IMPACT STATEMENT PER A.R.S. § 41-1057

1. **NEED:** The proposed rule changes are necessary to update the revenue thresholds used to establish the utility classifications. Proponents of the proposed rule changes believe they will reduce regulatory lag, streamline Commission processes and reduce rate case expense.
2. **AFFECTED CLASSES OF PERSONS:**
 - A. Commission-regulated utilities
 - B. customers of Commission-regulated utilities
 - C. intervenors in utility rate cases
 - D. Arizona Corporation Commission
3. **RULE IMPACT ON AFFECTED CLASSES OF PERSONS:**
 - A. Fewer utilities must comply with the Commission's Affiliated Interests Rules, Energy Efficiency Rules, and Cooperative Streamlining Rules. Utilities' rate case filing, accounting and time clock requirements, and the eligibility for submitting a rate case via a short form application will change.
 - B. Utility cases will be processed faster.
 - C. The Commission will be required to process more utilities' rate cases within 120 days. Commission rules require the Commission to process Class E utility rate cases within 120 days. The number of Class E utilities will increase from approximately 200 to approximately 320.
4. **COST AND BENEFITS TO THE AGENCY:** The Commission will have to process more utility rate cases within the 120 days.
5. **COST AND BENEFITS TO POLITICAL SUBDIVISIONS:** There will be no impact to political subdivisions because the Commission does not have jurisdiction over political subdivisions and the Rules do not apply to them.

EXHIBIT B

6. **COST AND BENEFITS TO PRIVATE PERSONS:** Customers of utilities will benefit if rate case expense declines and if reducing regulatory lag improves the financial health and stability of regulated utilities. Customers and intervenors may be negatively impacted by having less time to scrutinize and participate in utility rate cases.
7. **COST AND BENEFITS TO SMALL BUSINESS:** The small businesses that are regulated by the Commission as public service corporations generally support the proposed changes as a mechanism to reduce regulatory lag, streamline Commission processes and reduce rate case expense. Small businesses that are customers of public service corporations have not expressed opposition to the proposed changes.
8. **LESS COSTLY OR INTRUSIVE METHODS:** The amendments to the rules are the least costly or intrusive method to update the utility classifications.
9. **ALTERNATIVE METHODS CONSIDERED:** There are no alternative methods available to update the utility classifications.

Exhibit C

Summary of the Comments Made on the Rulemaking and the Agency Response Thereto Prepared Pursuant to A.R.S. § 41-1001(14)(d)(iii)

The Commission did not receive any written comments on the NPRM. The oral comments received by the Commission after the publication of the NPRM are included in the following table, along with the Commission's response to each.

<u>Section</u>	<u>Public Comment</u>	<u>Commission Response</u>
Proposed Reclassification Rule Generally	Karen Nally of Camp Verde Water Systems, Inc. stated that the changes are necessary because the Rule 103 revenue thresholds have not been updated since 1992. She further stated that updated thresholds will streamline the Commission's processes and will help reduce rate case expense for small utilities.	The Commission acknowledges the supportive comments. No change is needed in response to these comments.
Proposed Reclassification Rule Generally	Tim Sabo of Roshka, Dewulf, & Patten spoke in favor of the NPRM. Mr. Sabo stated that he was not speaking on behalf of any particular client, as the utilities that will benefit the most from this rulemaking cannot afford to hire an attorney. He supports the rulemaking because a number of smaller utilities will be shifted into classifications where they can benefit from reduced filing requirements and streamlined rate case processes.	The Commission acknowledges the supportive comments. No change is needed in response to these comments.